GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:11
ANSWERED ON:15.11.2007
AGREEMENTS WITH FOREIGN COUNTRIES FOR OIL EXPLORATION/PRODUCTION
Das Gupta Shri Gurudas;Gangwar Shri Santosh Kumar

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Union Government has signed agreements for oil exploration and production in oil fields abroad;

(b) if so, the names of the countries with which such agreements have been signed and details of the agreement signed; and

(c) the details of the likely benefits to the country as a result thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI MURLI DEORA)

(a) to (c) :- A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE LOK SABHA STARRED QUESTION NO. 11 BY SHRI SANTOSH GANGWAR, SHRI C.K. CHANDRAPPAN AND SHRI GURUDAS DASGUPTA TO BE ANSWERED ON 15.11.2007 REGARDING "AGREEMENTS WITH FOREIGN COUNTRIES FOR OIL EXPLORATION/PRODUCTION."

No agreement has been signed for oil exploration and production in oil fields abroad by the Government with foreign countries during the last two years. However, Government of India has signed an Agreement on cooperation in the Hydrocarbon sector with the Bolivarian Republic of Venezuela on 5th March, 2005. The Ministry of Petroleum & Natural Gas on behalf of Government of India has also signed eight Memoranda of Understanding (MOU) for cooperation in the field of Hydrocarbons with foreign Governments, namely, Ministry of Economy and Commerce of Romania; Ministry of Energy and Natural Resources of the Republic of Turkey; Ministry of Commerce, Industry and Energy of the Republic of Korea; National Development and Reforms Commission (NDRC) of the Peoples' Republic of China (two MOUs); Ministry of Economy, Trade and Industry (METI), Japan; US Energy Information Administration (US EIA) and UZBEKNEFTGAZ the National Holding Company of Uzbekistan during the year 2005-2007.

2. The Agreement with the Bolivarian Republic of Venezuela provides for mutual actions of cooperation in the area of hydrocarbon resources, liquid and gas hydrocarbons and their derivatives, and of research & development, exploration, production, processing, development, refining, marketing and transportation of hydrocarbons, and development of human resources.

3. The MOU with Ministry of Economy and Commerce of Romania provides for cooperation in oil and gas related matters mainly in the fields of basic and applied research and development; manufacture, upgrading and supply of drilling rigs and petrochemicals processing units; oil energy and environment issues; training and technical assistance; risk management; environmental protection including oil spill emergency response systems etc.

4. The MOU with Ministry of Energy and Natural Resources of the Republic of Turkey provides for cooperation to promote links between Indian and Turkish companies in undertaking Exploration and Production (E&P) oil and gas pipeline initiatives in Turkey and abroad; undertake basic and applied research and development, manufacture, upgrading and supply of drilling rigs and petrochemical processing units; environmental issues; development of regional energy infrastructure network; training etc.

5. The MOU with the Ministry of Commerce, Industry and Energy, Korea provides for cooperation in the field of oil and gas between Indian and Korean companies in undertaking E&P initiatives in India and third countries; basic and applied research and development; manufacture, upgrading and supply of drilling rigs; cooperation in underground petroleum storage facility and allied activities; oil energy and environmental issues; training; Environmental protection, including oil spill emergency response systems etc.

6. The MOUs with NDRC, China provides for cooperative participation in upstream and downstream projects in India, China and third countries; joint pursuit of R&D proposals particularly in the areas of increased oil recovery and enhanced oil recovery ; bring together their significant position in the international oil market by exploring the possibility of joint purchases of crude oil and gas, etc.

7. The MOU with Ministry of Economy, Trade and Industry (METI), Japan, was signed for exchange of information and technology with respect to strategic oil and gas reserves and to network with each other to promote greater mutual understanding of the global economy.

8. The MOU with US EIA provides for exchange of annual hydrocarbon sector market statistics, other related data and information concerning fuel characteristics, refining capacity, reserves and other hydrocarbon sector information, statistical methods, analytical

techniques and systems documentation and electronic information dissemination.

9. The MOU with UZBEKNEFTGAZ provides for bilateral cooperation in different areas of hydrocarbon sector, including joint bids for assets, bidding in NELP rounds for participation in the Indian E&P sector, and cooperation in regard to R&D technology, training of specialists and promotion of environment friendly fuels.

10. The MOUs with the Ministry of Economy and Commerce of Romania, Ministry of Energy and Natural Resources of Republic of Turkey and the Ministry of Commerce, Industry and Energy of Republic of Korea will establish the basis for a cooperative institutional relationship and encourage and promote bilateral cooperation on oil and natural gas development issues. The MOU with Ministry of Economy, Trade and Industry (METI) Japan will help us in acquiring know-how in setting up our strategic storage which will enhance our energy security and meet supply disruptions and emergency exigencies. The MOU with US EIA would result in exchange of hydrocarbon sector information to complement existing hydrocarbon sector statistics and other hydrocarbon sector market information. The MOU with Uzbekistan is intended to help Indian Oil PSUs to secure oil & gas assets in Uzbekistan and third countries.

11. This Government-to-Government dialogue and MOUs have resulted in creating a conducive environment for the companies to cooperate in acquiring assets in third countries. ONGC Videsh Ltd. (OVL) has acquired an oil asset in Syria with China National Petroleum Corporation (CNPC) and another asset in Colombia with China Petroleum & Chemical Corporation (SINOPEC). In addition, OVL as well as other National Oil Companies (NOCs) such as Oil India Ltd. (OIL), Indian Oil Corporation Ltd.(IOC), GAIL (India) Ltd. (GAIL), Bharat Petroleum Corporation Ltd. (BPCL) and Hindustan Petroleum Corporation Ltd. (HPCL) have acquired participating interests in Oil and Gas projects in 20 countries. Total investment made by NOCs in Overseas E&P projects as at the end of 2006 was approx. Rs. 21000 crore. OVL's Greater Nile Oil Project (GNOP) in Sudan, Sakhalin-I Project in Russia, Vietnam Project (Block 06.1), Block 24 in Syria and Mansarovar Project in Colombia, in all of which OVL has participa

ANNEX. REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE LOK SABHA STARRED QUESTION NO. 11 BY SHRI SANTOSH GANGWAR and SHRI GURUDAS DASGUPTA TO BE ANSWERED ON 15.11.2007 REGARDING "AGREEMENTS WITH FOREIGN COUNTRIES FOR OIL EXPLORATION/PRODUCTION"

Overseas Investment till 2006 and Budget estimates for 2007-08

(Rs. in Crore)

Country	Cumulative Investment till 2006	E&P Investment till 2006	Pipeline Investment till 2006	Marketing Budget estimates 2007-08
Australia	6.54	-	-	2.29
Brazil	948.57	-	-	256.31
Colombia	2023.28	-	-	230
Cuba	69.12	-	-	37.42
Egypt	26.18	-	-	49.13
Gabon	57.14	-	-	57.89
Iran	223.68	-	-	35.22
Iraq	4.53	-	-	1
Libya	112.6	-	-	212.71
Mauritius	-	-	75.67	
Myanmar	386.71	-	-	99.15
Nigeria	34.22	-	-	44.1
Nigeria Sao Tome Principle JDA	9.46	-	-	46
Oman	1.78	-	-	15.91
Qatar	36.9	-	-	272.99
Russia	7735	-	-	708.4
Sri Lanka	-	-	194.14	-
Sudan	6892.26	750.91	-	1078.16
Syria	1062.59	-	-	48.59
Timor & Australia	-	-	-	18
Vietnam	1051.27	-	-	326.84
Yemen	-	-	-	11.1
UAE	-	-	1.26	-
Others	-	-	-	2025.65
Total	20681.82	750.91	271.07	5576.86